

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2011-294-C

In the Matter of the Application of Budget)	
Prepay, Inc., d/b/a Budget Phone for)	
Designation as a Non-Rural Wireless Eligible)	SUPPLEMENTAL TESTIMONY OF
Telecommunications Carrier)	DAVID DONAHUE

1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is David Donahue. I am the Chief Financial Officer of Budget PrePay, Inc.
3 (hereinafter sometimes referred to as “Budget” or the “Company”). My business address
4 is 1325 Barksdale Blvd., Bossier City, Louisiana.

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 A. The purpose of my testimony is to 1) describe briefly certain amendments to
8 Budget’s July 21, 2011 Petition requesting Designation as an Eligible
9 Telecommunications Carrier (“Petition”) and to my Direct Testimony filed
10 previously in this Docket; 2) describe the manner in which Budget proposes to
11 offer Lifeline services as a wireless ETC in South Carolina pursuant to a
12 Stipulation it has executed with the South Carolina Office of Regulatory Staff
13 (“ORS”), and to demonstrate Budget’s support for the Stipulation.

15 **Q. HAS BUDGET AMENDED ITS PETITION?**

16 A. Yes. As described in its March 20, 2012 letter to the Commission (attached
17 hereto as **Exhibit One** and incorporated herein by reference), Budget made

1 certain changes to its Petition following the issuance of the Federal
2 Communications Commission's (FCC's) Lifeline Reform Order¹ and the
3 amended FCC Rules occasioned thereby.

4
5 **Q. PLEASE EXPLAIN HOW THE *LIFELINE REFORM ORDER* AFFECTED**
6 **BUDGET'S PROPOSED OPERATION AS AN ETC.**

7 A. The FCC determined that it would forbear from applying the "own facilities"
8 requirement of Section 214(e)(1)(A) of the Communications Act, 47 U.S.C. §
9 214(e)(1)(A) to those Lifeline-only ETC applications that comply with the
10 conditions set out in the *Lifeline Reform Order*. Accordingly, Budget requested
11 that the FCC forbear from applying the "own facilities" requirement, and
12 submitted a Compliance Plan for approval by the FCC. On May 25, 2012, the
13 FCC approved Budget's Compliance Plan. (See Budget's letter to the
14 Commission dated May 30, 2012, attached hereto as **Exhibit Two** and
15 incorporated herein by reference).

16
17 **Q. PLEASE SUMMARIZE THE CHANGES TO BUDGET'S PETITION**
18 **BROUGHT ABOUT AS A RESULT OF THE *LIFELINE REFORM ORDER***
19 **AND BUDGET'S COMPLIANCE PLAN.**

20 A. Budget has agreed to operate as an ETC pursuant to the terms of its FCC-
21 approved Compliance Plan. Accordingly, Budget no longer seeks to participate in

¹ *In the Matter of Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11, rel. Feb. 6, 2012.*

1 the Link Up support program. As detailed in **Exhibit One**, Budget has amended
2 its Lifeline service offerings and replaced the plans and descriptions thereof
3 contained in the Company's original Petition. In addition, Budget has
4 demonstrated its compliance with revised 47 C.F.R. § 54.101, an FCC rule
5 amended by the *Lifeline Reform Order*, substituted the Certification and
6 Verification Requirements of its Compliance Plan for those set out in its original
7 Petition, and demonstrated its satisfaction of the Financial and Technical
8 Capability requirements of the *Lifeline Reform Order*.

9

10 **Q. HAVE BUDGET AND THE ORS ENTERED A STIPULATION IN THIS**
11 **MATTER?**

12 A. Yes. A copy of the Stipulation is attached hereto as **Exhibit Three**.

13

14 **Q. HAS BUDGET AGREED TO ACCEPT THE CONDITIONS IN THE**
15 **STIPULATION?**

16 A. Yes.

17

18 **Q. GENERALLY, WHAT DOES THE STIPULATION PROVIDE?**

19 A. The Stipulation memorializes the changes described above. Subject to the
20 provisions of the Stipulation, the ORS supports Budget's request for designation
21 as an ETC.

22

23 **Q. DOES BUDGET SUPPORT THE STIPULATION WITH THE ORS?**

24 A. Yes.

1 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

2 A. Yes.

VERIFICATION

STATE OF LOUISIANA

§

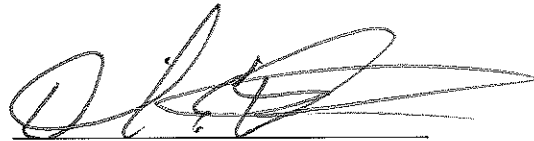
PARISH OF BOSSIER

§

§

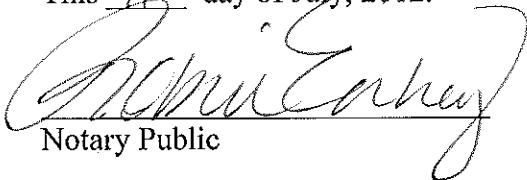
I, David Donahue, first duly sworn, on my oath and in my capacity as Chief Financial Officer of Budget Prepay, Inc., state that I am authorized to provide on behalf of Budget Prepay, Inc. my Supplemental Testimony in Commission Docket No. 2011-294-C, and have knowledge of the matters stated in this Supplemental Testimony, and that said matters are true and correct to the best of my knowledge and belief.

Executed on July 11, 2012



David Donahue
Chief Financial Officer
Budget Prepay, Inc.

Subscribed and sworn before me
This 11 day of July, 2012.


Notary Public

ROBIN M ENKEY
Notary Public #78084
Bossier Parish
State of Louisiana
Commission Is For Life

CERTIFICATE OF SERVICE

July 17, 2012
Columbia, South Carolina